

Accountancy Board of Ohio
Minutes of Board Meeting July 15, 2016

The Accountancy Board met on July 15, 2016 in Room East B on the 31st floor of the Vern Riffe Center for Government and the Arts, 77 South High Street, Columbus, Ohio with the following members present: James Carroll, CPA (Chair), James Gero, CPA (Vice-Chair), Adriana Sfalcin (Secretary & Public Member), Michael Comer, CPA (Immediate Past Chair), James Gottfried, CPA (Member), Margaret Gilmore, CPA (Member), Kenya Watts, CPA (Member) and James Redmond, CPA (Member). Michael Guinigundo, CPA (Member) was not present.

Representing the Board staff was John E. Patterson, Executive Director, Tracey F. Fithen, Assistant Executive Director and Donna M. Oklok, Investigations Supervisor. Board counsel present was Rachel Huston, Esq., representing the office of the Attorney General.

Present in the audience was Laura Hay, Executive Vice President and Barbara Benton, Vice President for Governmental Affairs of the Ohio Society of Certified Public Accountants (OSCPA).

Mr. Carroll called the meeting to order at 9:56 a.m., and welcomed the guests in the audience. Mr. Carroll opened the meeting with the Pledge of Allegiance.

FORMAL HEARING: CAROLYN C. KAUFMAN, CPA

Mr. Carroll opened a disciplinary hearing at 9:57 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Ms. Kaufman with a violation of section 4701.16(A)(5) and (A)(6), concerning conviction of a felony under the laws of any state or of the United States; and conviction of any crime, an element of which is dishonesty or fraud, under the laws of any state or of the United States. Ms. Kaufman was in attendance and represented by counsel, Van Carter.

Ms. Huston introduced State's exhibits A, 1 through 8 and B, 1 through 6. Mr. Carter made an opening statement and introduced Respondent's exhibits 1, 1 through 5; 2, 1 through 4; 3, 1 through 3; 4, 1 through 4; 5, 1 through 2; 6, 1 through 6; 7, 1 through 2; 8, 1; 9, 1; 10, 1 through 2; 11, 1; 12, 1 through 2; and 13, 1. Ms. Kaufman then spoke and was questioned by the Board.

The Board admitted into evidence all exhibits. Mr. Carroll concluded the hearing.

REINSTATEMENT HEARING: RAYMOND J. SLOGAR

Mr. Carroll opened a reinstatement hearing at 10:40 a.m. pursuant to section 4701.17 of the Revised Code. Mr. Slogar was in attendance and was not represented by counsel.

Ms. Huston called Mr. Slogar as a witness and introduced State's Exhibits A, 1 through 5 and B, 1 through 7. Mr. Slogar entered Respondent's exhibit 1, 1 through 11. Mr. Slogar then spoke and was questioned by the Board.

The Board admitted into evidence all exhibits. Mr. Carroll concluded the hearing.

FORMAL HEARING: ABDALLAH A. KEIS, CPA

Mr. Carroll opened a disciplinary hearing at 10:56 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Keis with a violation of section 4701.16(A)(1) of the Revised Code, concerning fraud and deceit in obtaining an Ohio permit; specifically 4701-15-03 Continuing education reporting. Mr. Keis was in attendance and was not represented by counsel.

Ms. Huston called Ms. Donna Oklok as a witness and introduced State's Exhibit(s) A, 1 through 11; B, 1 through 21; and C, 1 through 8. Ms. Huston called Mr. Keis as a witness. Mr. Keis then spoke and was questioned by the Board.

The Board admitted into evidence all exhibits. Mr. Carroll concluded the hearing.

REINSTATEMENT HEARING: CHRISTOPHER A. FOLEY

Mr. Carroll opened a reinstatement hearing at 11:23 a.m., pursuant to section 4701.17 of the Revised Code. Mr. Foley was not present.

Ms. Huston called Ms. Oklok as a witness and introduced State's Exhibits A, 1 through 5, and B, 1 through 13.

The Board admitted into evidence all exhibits. Mr. Carroll concluded the hearing.

FORMAL HEARING: NATALIE J. PHILLIPS, CPA

Mr. Carroll opened a disciplinary hearing at 11:35 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Ms. Phillips with a violation of section 4701.16(A)(9) of the Revised Code, concerning failure of the holder of a CPA certificate to obtain an Ohio permit. Ms. Phillips was in attendance and not represented by counsel.

Ms. Huston called Ms. Oklok as a witness and introduced State's Exhibit(s) A, 1 through 18; B, 1 through 17. Ms. Huston called Ms. Phillips as a witness. Ms. Phillips then spoke and was questioned by the Board.

The Board admitted into evidence all exhibits. Mr. Carroll concluded the hearing.

FORMAL HEARING: ALANA R. MOODY, CPA

Mr. Carroll opened a disciplinary hearing at 11:56 a.m. pursuant to Chapter 119 of the Revised Code. The Board charged Ms. Moody with a violation of section 4701.16(A)(9) and (A)(11), concerning failure to comply with firm registration requirements. Ms. Moody was in attendance and not represented by counsel.

Ms. Huston called Ms. Oklok as a witness and introduced State's exhibits A, 1 through 11; B, 1 through 2; and C, 1 through 12. Ms. Huston called Ms. Moody as a witness. Ms. Moody then spoke and was questioned by the Board.

The Board admitted into evidence all exhibits. Mr. Carroll concluded the hearing.

FORMAL HEARING: WILLIAM J. GORDON, CPA

Mr. Carroll opened a disciplinary hearing at 12:22 p.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Gordon with a violation of section 4701.16(A)(1) of the Revised Code, concerning fraud and deceit in obtaining an Ohio permit; specifically 4701-15-03 Continuing education reporting. Mr. Gordon was in attendance and represented himself *pro se*.

Ms. Huston called Ms. Oklok as a witness and introduced State's Exhibit(s) A, 1 through 8; B, 1 through 13; and C, 1. Ms. Huston called Mr. Gordon as a witness. Mr. Gordon then spoke and was questioned by the Board.

The Board admitted into evidence all exhibits. Mr. Carroll concluded the hearing.

FORMAL HEARING: LINDA A. HERMAN, CPA

Mr. Carroll opened a disciplinary hearing at 12:47 p.m. pursuant to Chapter 119 of the Revised Code. The Board charged Ms. Herman with a violation of section 4701.16(A)(1) of the Revised Code, concerning fraud and deceit in obtaining an Ohio permit; specifically 4701-15-03 Continuing education reporting. Ms. Herman was not in attendance.

Ms. Huston called Ms. Oklok as a witness and introduced State's Exhibit(s) A, 1 through 7 and B, 1 through 9.

The Board admitted into evidence all exhibits. Mr. Carroll concluded the hearing.

FORMAL HEARING: JOHN P. WILLIAMS, CPA

Mr. Carroll opened a disciplinary hearing at 12:53 p.m. pursuant to Chapter 119 of the Revised Code. The Board charged Mr. Williams with a violation of section 4701.16(A)(1) of the Revised Code, concerning fraud and deceit in obtaining an Ohio permit; specifically 4701-15-03 Continuing education reporting. Mr. Williams submitted a sworn statement in lieu of attendance.

Ms. Huston called Ms. Ottavi as a witness and introduced State's Exhibit(s) A, 1 through 9; B, 1 through 12; C, 1 through 21; and D, 1 through 3. Ms. Huston called upon Ms. Ottavi to read Mr. Williams' statement into the record.

The Board admitted into evidence all exhibits. Mr. Carroll concluded the hearing.

REQUEST FOR WAIVER OF LATE FEES

Jennifer Bennett requested a waiver of the \$300 late fee submitted with her late renewal application received by the Board on May 26, 2016.

QUASI-JUDICIAL DELIBERATIONS

Upon motion by Mr. Carroll, seconded by Mr. Gottfried, the Board voted to break into quasi-judicial deliberations to discuss the requests for waiver of late fees and formal hearings. Motion carried 8-0 on a roll call vote. After discussion, the Board returned to general session.

BOARD DECISIONS

Carolyn Kaufman, CPA (Case #2016-1)

Upon the motion by the Board Secretary Adriana Sfalcin, and seconded by Immediate Past Chair Michael Comer, the Board voted to take no action against the CPA certificate of Ms. Kaufman.

Motion carried 8-0 on a roll call vote.

Raymond J. Slogar (Case #2016-31)

Upon the motion by Board Secretary Adriana Sfalcin, and seconded by Board Member Maggie Gilmore, the Board voted to reinstate the CPA certificate of Mr. Slogar, subject to the completion of the following conditions by August 31, 2016:

- (1) Reinstatement fee of \$3,500;
- (2) Verification of 120 hours of CPE, including completion of 3 hours of CPE of a Board-approved professional standards and responsibilities course, specific to Ohio laws and rules;
- (3) Submission of Ohio permit fees, including late fees.

Motion carried 8-0 on a roll call vote.

Abdallah A. Keis, CPA (Case #2016-28)

Upon the motion by Board Secretary Adriana Sfalcin, and seconded by Immediate Past Chair Mr. Comer, the Board voted to revoke the CPA certificate of Mr. Keis, but to stay the revocation subject to the completion of the following conditions by September 30, 2016:

- (1) A fine of \$120.

Motion carried 8-0 on a roll call vote.

Christopher A. Foley (Case #2016-39)

Upon the motion by Board Secretary Adriana Sfalcin, and seconded by Immediate Past Chair Mr. Comer, the Board voted to take no action regarding the reinstatement request of Mr. Foley. Mr. Foley may reapply for reinstatement after August 1, 2017.

Motion carried 8-0 on a roll call vote.

Natalie J. Phillips (Case #2015-111)

Upon the motion by Board Secretary Ms. Sfalcin, and seconded by Board Member Mr. Gottfried, the Board voted to revoke the CPA certificate of Ms. Phillips, but to stay the revocation subject to the completion of the following conditions by November 30, 2016:

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- (1) A fine of \$250;
- (2) Completion, submission and verification of 120 hours of CPE, including completion of 3 hours of a Board-approved professional standards and responsibilities course, specific to Ohio laws and rules;
- (3) Submission of \$10 per hour for each hour of CPE earned in 2016;
- (4) Submission of Ohio permit fees, including late fees.

Motion carried 7-0 on a roll call vote with one abstention.

Alana R. Moody (Case #2016-33)

Upon the motion by Ms. Sfalcin, and seconded by Board Member, Kenya Watts, the Board voted to revoke the CPE certificate of Ms. Moody, but to stay the revocation subject to the completion of the following conditions by December 31, 2016:

- (1) A fine of \$2,500;
- (2) Payment of all firm registration and penalty fees;
- (3) Completion of 3 hours of a Board-approved professional standards and responsibilities course, specific to Ohio laws and rules;
- (4) Completion of a passing system peer review.

Motion carried 8-0 on a roll call vote.

William J. Gordon (#2016-34)

Upon the motion by Board Secretary Ms. Sfalcin, and seconded by Board Member James Gero, the Board voted to revoke the CPA certificate of Mr. Gordon, but to stay the revocation subject to the completion of the following conditions by November 30, 2016:

- (1) A fine of \$1,500;
- (2) Completion, submission and verification of 120 hours of CPE, including completion of 3 hours of a Board-approved professional standards and responsibilities course, specific to Ohio laws and rules;
- (3) Submission of \$10 per hour for each hour of CPE earned in 2016.

Motion carried 8-0 on a roll call vote.

Linda A. Herman (#2016-30)

Upon the motion by Board Secretary Ms. Sfalcin, and seconded by Immediate Past Chair Mr. Comer, the Board voted to revoke the CPA certificate of Ms. Herman.

Motion carried 8-0 on a roll call vote.

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John P. Williams (#2016-21)

Upon the motion by Board Secretary Ms. Sfalcin, and seconded by Board Member Ms. Gilmore, the Board voted to revoke the CPA certificate of Mr. Williams, but to stay the revocation subject to the completion of the following conditions by September 30, 2016:

- (1) A fine of \$1,000;
- (2) Completion of 3 hours of a Board-approved professional standards and responsibilities course, specific to Ohio laws and rules;
- (3) Submission of \$10 per hour for each hour of CPE earned in 2016 (\$1,200).

Motion carried 8-0 on a roll call vote.

Late Fee Waiver or Renewal Fee Appeals

Upon the motion by Adriana Sfalcin, Board Secretary, and seconded by Board Member James Gottfried, the Board voted to deny the request for waiver of the late filing fee for Jennifer Bennett.

Motion carried 8-0 on a roll call vote.

REQUEST FOR REVIEW

Mr. Patterson discussed the closed case review of Doug Bertke, CPA and Jeff Rasawehr. The Board voted to take no action. Mr. Patterson also discussed the closed case review of John Herbst, CPA and Scott Monto. The Board voted to take no action.

Executive Director's Report

Mr. John E. Patterson, Executive Director for the Accountancy wants to eliminate the Board's evaluation worksheet and utilize NASBA's services in evaluating courses to sit for the CPA examination.

Mr. Patterson requested the Board add to the September Board meeting agenda the topic of changing the retirement age of a licensee to age 55 and older.

Approval of the June 3, 2016 Board Meeting Minutes

Upon motion by Mr. Gottfried, seconded by Mr. Comer, the Board voted unanimously to approve the minutes of the June 3, 2016 Board Meeting. Motion carried 8-0.

INFORMATION REPORTS AND UPDATES

Budget and Financial Report

Tracey Fithen, Assistant Executive Director for the Accountancy Board, reported that the Board had just begun their fiscal year 2017 budget allotments and expected no large purchases other than a possible rent increase. She also stated that the current Board audit being conducted by the Office of Budget

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Management is coming to a close and that the Board's Revenue and Expenses for fiscal year 2016 balanced.

Education Assistance Report

Ms. Fithen informed the Board that the final transfer of education assistance funds was done for the 4th quarter of fiscal year 2016 and that the fund has a total balance of approximately \$918,000.

Rules Update – Approval of Chapter 4701-09, -11, and -19

Donna Oklok, Investigations Supervisor, updated the Board regarding input from other agencies regarding rule 4701-11, and ultimately there were no additional changes made. The Staff met with Laura Hay and Barb Benton of the OSCPA to discuss rule review. Another meeting is scheduled early in August to further discuss possible changes. All rules will be filed as soon as possible.

Investigative Update

Ms. Oklok noted that there were ten disciplinary cases opened since the last Board meeting, two pending legal action and one case referred to prosecutor. There are six licensees remaining to finalize their 2013-2015 CPE verification, with six notices of opportunity pending hearing scheduling or provision of the required CPE.

OLD BUSINESS

Status of Past Hearings

Rachel Huston, Assistant Ohio Attorney General, reported that there are no appeals that have been filed since the last Board meeting.

NEW BUSINESS

No new business.

CHAIR'S REPORT

Mr. Carroll informed the Board that Mr. W. Michael Fritz has requested to be a non-voting member of the Peer Review Oversight Committee as well as the Finance and Audit Committee.

Mr. Carroll discussed items covered by the Licensing Committee meeting held prior to the Board meeting. The first item covered was the possible implementation of requiring 120 vs 240 reentry hours of continuing education going from a registration to a practicing permit if out of practice longer than five years Mr. Gottfried suggested that, as part of this analysis, consideration should be given to adding specific requirements similar to those currently applicable to permit holders under 4701-15-11. This would require for those holding an Ohio registration or those that are in retired, suspended, revoked or expired status that want to obtain an Ohio permit to have the appropriate credits of accounting, auditing, assurance, or attestation standards if their anticipated work would entail accounting, auditing,

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assurance, or attestation standards. Similarly, for those where anticipated work would entail taxation, appropriate credits would be required in taxation. Mr. Gottfried also suggested that, as part of the analysis to require 240 credits for those over 5 years, consideration be given to reducing the credits required to no less than 120 credits upon a showing of good cause by the applicant.

The next topic of discussion was the new medical marijuana state law and how it may affect the public accounting profession. Mr. Carroll ask that Mr. Patterson monitor.

Mr. Carroll created a new committee and asked that Maggie Gilmore and Mike Guinigundo possibly gather more information on the 120/150 to sit for the examination.

Also discussed was the matter of the CGMA designation. Mr. Carroll asked that Mr. Patterson follow any updates or information and review. Mr. Patterson suggested that we set aside for later discussion after results of NASBA and other state Boards weigh in.

SUMMARY OF BOARD REQUESTS

No requests from Board members.

Upon motion by Board Member Adriana Sfalcin and seconded by Board Member James Gottfried, the Board voted to adjourn.

Motion carried 8-0.

James J. Carroll, Chair

Adriana Sfalcin, Secretary